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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: January 10, 2007

Gusenbauer under Fire from SPOe

11. Incoming Chancellor Alfred Gusenbauer from the SPOe has come under fire from within his own party for having "given up too much to the Conservatives" in the government negotiations. Student and youth organizations continued their protests yesterday. Meanwhile, 75 percent of the party executive leadership backed Gusenbauer and the coalition agreement with the OeVP in a vote on Tuesday. Like mass-circulation daily Kurier and independent provincial daily Salzburger Nachrichten, all Austrian media agree the grand coalition government is "off to a bumpy start," particularly for the Social Democrats. According to semi-official daily Wiener Zeitung, the SPOe is "only reluctantly forming this coalition. The fact that only 75 percent of the party executive committee backed Gusenbauer's coalition pact on Tuesday makes for a "tough start" for the new chancellor, the daily adds. For centrist daily Die Presse, given the circumstances and the sacrifices made along the way, the chancellorship is "a Pyrrhic victory for Gusenbauer." According to mass-circulation tabloid Oesterreich, the coalition government is "not exactly off to a good start." Both the SPOe and the OeVP "have taken massive hits."

Gusenbauer Defends Himself

12. In an interview with ORF television yesterday evening, SPOe leader Alfred Gusenbauer defended himself against the criticism from the ranks of his own party of his agreement with the OeVP. He dismissed the accusations he had broken too many election promises and had given the most important ministries to the Conservatives. On the contrary, the key portfolios for the Social Democrats' government program had been secured for the SPOe, he stressed. Speaking on ORF TV's prime time domestic news program Report on Tuesday, incoming Chancellor Alfred Gusenbauer dismissed criticism of his coalition pact with the OeVP. He had "not given up anything," he stressed, pointing to the fact that during its seven years in opposition, the SPOe had "held zero portfolios, now it has seven." Unlike many SPOe heavyweights, who have accused him of "selling out to the Conservatives," Gusenbauer is convinced the Social Democrats have succeeded in securing those ministries necessary to implement their political program. With investments of up to 10.5 billion Euros in infrastructure, the government would succeed in cutting unemployment by 25 percent until 2010, and reduce youth unemployment by half, Gusenbauer is optimistic. He underscored his commitment was about "genuine improvement of the conditions of living," and not about "abstract symbols of power." Criticism within the SPOe was "legitimate," he added, and pointed out that a full implementation of election promises would only have been possible if the SPOe had

won the absolute majority in the elections.

The Ministers

13. The SPOe's list of ministers, as published Wednesday morning on Austrian Press Agency APA:

Chancellor: Alfred Gusenbauer

Minister for Social Affairs: Erwin Buchinger Infrastructure Minister: Werner Faymannn

Justice Minister: Maria Berger

Education Minister: Claudia Schmied Minister for Women's Issues: Doris Bures Defense Minister: Norbert Darabos

Also, two of the SPOe's state secretaries have been nominated: Christa Kranzl will be state secretary in the Ministry for Infrastructure, and former SPOe budget spokesperson Christoph Matznetter will be in the Finance Ministry, APA writes.

The OeVP's list of ministers:

Vice-Chancellor/Finance Minister: Wilhelm Molterer

Interior Minister: Guenther Platter
Foreign Minister: Ursula Plassnik
Economics Minister: Martin Bartenstein
Minister for Agriculture: Josef Proell
Science Minister: Johannes Hahn
Health Minister: Andrea Kdolsky

Reinhold Lopatka is the future state secretary for sports. Two state secretaries are yet to be named.

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Embassy Fence

14. An Austrian weekly is reporting on the progress of the fence project, which is being built to increase security for the US Embassy facility in Vienna's 9th district.

Vienna city weekly Falter in its January 10 issue reports that an almost 4m-high security fence is currently being built around the Vienna US Embassy building in Boltzmanngasse. The weekly quotes Public Affairs Counselor William Wanlund as stressing the fence will "not only increase security for us; it also is a visual improvement compared to the previous protective barrier" at the Embassy facility. Moving the Embassy to the outskirts of Vienna, as some Boltzmanngasse residents have suggested, would not make sense the Vienna PAO added: Such a move would not be practicl, Wanlund said, and added that none of the residents had actually approached the Embassy with their concerns. The weekly also notes that the fence project also includes a wider sidewalk for the pedestrians passing by the embassy building.

US President Outlines Iraq Strategy

15. In a much anticipated speech, President Bush will present his new strategy for Iraq later today. It has been made clear ahead of the address that there will be no withdrawal from Iraq soon, as called for by a number of US Democrats, Austrian radio says. Instead, a deployment of additional troops appears likely. Democrat Senators are meanwhile moving to oppose what they perceive as an "escalation of the Iraq War."

Austrian media report on US President George Bush's upcoming address on America's Iraq strategy, which will be aired by US television channel CNN on January 10 at 9:00 pm EST (January 11 at 3:00 am CET).

On ORF radio's early morning news Morgenjournal, Washington correspondent Raimund Loew says the White House "has been making huge efforts for days to minimize the expected shock as much as possible. Selected Senators are receiving an information preview directly from the President, and a neo-conservative think tank is handing out position papers to the journalists. In sharp contrast to general expectations following the Democrats' mid-term election victory, George Bush is obviously not contemplating a withdrawal from Iraq, not even a gradual one. Quite the contrary: a marked expansion of the US commitment can be expected. The President wants

to deploy an additional 20,000 US troops to Iraq, the American media speculate. Their primary objective will be to re-establish security in the capital Baghdad. In addition, the US government is said to be planning to pour a further 1.5 billion dollars into Iraq's economic recovery. The concept of increasing troop levels, in particular, is met with stiff resistance: The Democrats have dismissed it as a 'dangerous step of escalation.' Opinion polls confirm the President won't have an easy time to convince the American public of the planned measures: 61 percent of Americans are against sending more soldiers off to a war they are convinced is quite pointless. In mass-circulation tabloid Oesterreich, commentator Patrik Volf says: "Whatever Bush will negotiate with the new Democratic congressional majority, Iraq is lost for the US. More troops and different commanders will be nothing but entries into the office register in Baghdad and thus only serve to manage defeat. The US has not fulfilled the primary responsibility any occupying power has under international law: to guarantee order for the occupied state and security for its population. For that, the troops were neither given the means nor the necessary training. The only thing left to do for the US is to achieve a regional consensus with regard to Iraq. But that would be the Baker option and thus a defeat for Bush. McCaw